

UNNUMBERED LETTERS ISSUED FOR THE MONTH OF DECEMBER 2004

Dated	Subject	Distribution
12-01-04	2004 Holiday Disbursement Processing Schedule	S/D
12-10-04	Intermediary Relending Program Unemployment Rate	S/D
12-13-04	Business and Industry Guaranteed Loan Program National Office Executive Loan Committee Pilot Project	S/D
12-15-04	Interest Rates for Water and Waste Disposal Loans, Watershed Protection and Flood Prevention Loans, and Resource Conservation and Development Loans	S/D, RDM, AD
12-16-04	Interest Rates for Community Facilities	S/D, RDM, AD
	Interest Rate Changes for Housing Programs and Credit Sales (Nonprogram)	S/D, RDM, AD
	Interest Rate for Direct Business and Industry Loans	S/D, RDM, AD
	Interest Rate Changes for Housing Programs and Credit Sales (Nonprogram)	S/D, RDM, AD
12-22-04	Entering the Approval Official in UniFi	S/D
12-27-04	Guidance for Foreign Travel	RD Employees
	Implementation of Bridge Solution Travel Procedures	RD Employees
12-29-04	Multi-Family Housing Portfolio Imaging Project	S/D

December 1, 2004

SUBJECT: 2004 Holiday Disbursement Processing Schedule

TO: Rural Development State Directors

ATTN: Housing Program Directors
Business and Community Programs Directors
Rural Development Managers
Area Directors

The Cash Management Branch (CMB) of the Office of the Deputy Chief Financial Officer is responsible for processing all special disbursement requests to advance manual loan and grant program funds and to advance for emergency situations. The normal cutoff timeframe for receiving these requests is 12:30 p.m. c.s.t. each business day. These requests should be faxed to CMB at 314-457-4371. To receive assistance, please call the CMB Disbursement Request Line at 314-457-4031.

Treasury has recently provided CMB with their holiday processing schedule for 2004 for the handling of our special disbursement requests. Treasury will be closing at 12:00 p.m. c.s.t. on the following days:

December 23, 2004

December 30, 2004

In addition, CMB will certify advances to Treasury at 12:00 p.m. c.s.t. December 15, 2004. Therefore, in order for CMB to complete its necessary tasks, all disbursement requests must be received by 10:00 a.m. c.s.t. on the aforementioned dates.

Please distribute these instructions to your staff, as you deem appropriate. If you have any questions regarding the normal processing times or the holiday schedule, please contact Kristen Landwehr of my staff at 314-457-4037.

(Signed by Christine C. Burgess)

CHRISTINE C. BURGESS
Deputy Chief Financial Officer
Rural Development

EXPIRATION DATE:
November 30, 2005

FILING INSTRUCTIONS:
Administrative/Other
Programs

December 10, 2004

SUBJECT: Intermediary Relending Program
Unemployment Rate

TO: State Directors, Rural Development

ATTN: Business Programs Directors

RD Instruction 4274-D, section 4274.344(c)(2)(iii), provides for priority points for Intermediary Relending Program applications based on unemployment rates. The overall national unemployment rate for October 2004 was 5.5 percent. This unemployment rate will be used to compute the unemployment rate points until updated by the National Office. This supersedes the figure announced in an unnumbered letter issued on November 19, 2003.

(Signed by Peter J. Thomas)

PETER J. THOMAS
Administrator
Rural Business-Cooperative Service

EXPIRATION DATE:
December 31, 2005

FILING INSTRUCTIONS:
Community/Business Programs

December 13, 2004

SUBJECT: Business and Industry Guaranteed Loan Program
National Office Executive Loan Committee Pilot Project

TO: State Directors, Rural Development

ATTN: Business Programs Directors

This is in reference to the National Office Executive Loan (NOEL) Committee pilot project that was implemented by our unnumbered letter dated January 13, 2004.

A task force has been formed to evaluate the loan committee process. This task force has been challenged with redesigning loan committee procedures to make it a more efficient, streamlined process. We do not believe the NOEL pilot project has been successful in effecting a more expedient, efficient NOEL process, and, therefore, are rescinding the pilot project as of the date of this memorandum. Further guidance on loan committee procedures will be forthcoming when it is available.

If you have any questions, please contact Brenda Griffin, Business and Industry Division, (202) 720-6802.

(Signed by Peter J. Thomas)

PETER J. THOMAS
Administrator
Rural Business-Cooperative Service

EXPIRATION DATE:
February 28, 2005

FILING INSTRUCTIONS:
Community/Business Programs

December 15, 2004

SUBJECT: Interest Rates for Water and Waste Disposal
Loans, Watershed Protection and Flood
Prevention Loans, and Resource Conservation
and Development Loans

TO: Rural Development State Directors,
Rural Development Managers,
and Area Directors

Effective from January 1, 2005, through March 31, 2005, the interest rates for Water and Waste Disposal Loans are as follows:

Poverty Line...unchanged at.....4.500%
Intermediate...unchanged at.....4.500%
Market.....decreased to.....4.500%

Also, the rate for Watershed Protection and Flood Prevention Loans and Resource Conservation and Development Loans is as follows:

CURRENT RATE	NEW RATE
4.625%	4.500%

Please notify appropriate personnel of these rates.

(Signed by Hilda Gay Legg)

HILDA GAY LEGG
Administrator
Rural Utilities Service

EXPIRATION DATE:
March 31, 2005

FILING INSTRUCTIONS:
Administrative/Other Programs

Sent by Electronic Mail on 12-16-04 at 12:15 p.m. by PAD.

December 16, 2004

SUBJECT: Interest Rates for Community Facilities

TO: Rural Development State Directors,
Rural Development Managers,
and Area Directors

Effective from January 1, 2005, through March 31, 2005, the interest rates for direct community facility loans are as follows:

Poverty Line.....unchanged at.....4.500%
Intermediate.....unchanged at.....4.500%
Market.....decreased to.....4.500%

Please notify appropriate personnel of these rates.

(Signed by Russell Davis)

RUSSELL T. DAVIS
Administrator
Rural Housing Service

Sent by Electronic Mail on 12-21-04 at 11:15 p.m. by PAD.

EXPIRATION DATE:
March 31, 2005

FILING INSTRUCTIONS:
Administrative/Other Programs

December 16, 2004

SUBJECT: Interest Rate Changes for Housing Programs
and Credit Sales (Nonprogram)

TO: Rural Development State Directors,
Rural Development Managers,
and Area Directors

ATTN: Rural Housing Program Director

The following interest rates, effective January 1, 2005, are changed as follows:

<u>Loan Type</u>	<u>Existing Rate</u>	<u>New Rate</u>
-------------------------	-----------------------------	------------------------

ALL LOAN TYPES

Treasury Judgement Rate	2.270%	2.600%
-------------------------	--------	--------

The current rate shown above is as of the week ending November 26, 2004. The actual judgement rate that will be used will be the rate for the calendar week preceding the date the defendant becomes liable for interest. This rate may be found by going to the Federal Reserve web site for the weekly average 1-year CMT yield (www.federalreserve.gov/releases/h15/data/wf/tcm1y.txt).

RURAL HOUSING LOANS

Rural Housing (RH) 502 Low or Moderate	6.000	6.000
---	-------	-------

EXPIRATION DATE:
January 31, 2005

FILING INSTRUCTIONS:
Administrative/Other Programs

Single Family Housing (SFH) Nonprogram	6.500	6.500
Rural Housing Site (RH-524), Non-Self-Help	6.000	6. 000
Rural Rental Housing and Rural Cooperative Housing	6. 000	6. 000

Please notify appropriate personnel of these rates.

(Signed by Russell T. Davis)

RUSSELL T. DAVIS
Administrator
Rural Housing Service

Sent by Electronic Mail on 12-21-04 at 11:00 a.m. by PAD.

December 16, 2004

SUBJECT: Interest Rate for Direct Business
and Industry Loans

TO: Rural Development State Directors,
Rural Development Managers,
and Area Directors

The following interest rate is in effect January 1, 2005, through March 31, 2005.

<u>Loan Type</u>	<u>Existing Rate</u>	<u>New Rate</u>
Direct Business and Industry	4.500%	5.000%

Please notify appropriate personnel of this rate.

(Signed by Peter Thomas)

PETER THOMAS
Administrator
Rural Business-Cooperative Service

Sent by Electronic Mail on 12-21-04 at 11:40 a.m. by PAD.

EXPIRATION DATE:
March 31, 2005

FILING INSTRUCTIONS:
Administrative/Other Programs

December 16, 2004

SUBJECT: Interest Rate Changes for Housing Programs
and Credit Sales (Nonprogram)

TO: Rural Development State Directors,
Rural Development Managers,
and Area Directors

ATTN: Rural Housing Program Director

The following interest rate is in effect for loans approved after the beginning of business January 1, 2005.

<u>Loan Type</u>	<u>Existing Rate</u>	<u>New Rate</u>
Farm Labor Housing- State Director Exception	8.375%	8.250%

Please notify appropriate personnel of this rate.

(Signed by Russell T. Davis)

RUSSELL T. DAVIS
Administrator
Rural Housing Service

Sent by Electronic Mail on 12-21-04 at 11:00 a.m. by PAD.

EXPIRATION DATE:
March 31, 2005

FILING INSTRUCTIONS:
Administrative/Other Programs

December 22, 2004

TO: State Directors

ATTN: Rural Housing Program Directors

FROM: David J. Villano *(Signed by David J. Villano)*
Deputy Administrator
Single Family Housing

SUBJECT: Entering the Approval Official in UniFi

In connection with the Fiscal Year 1999 Management Control Review (MCR), the National Office agreed to develop and implement a certification program for SFH Direct Approval Officials to maintain their loan approval authority. The certification program was originally envisioned as a training program, hence the implementation of the "New Employee Training Guide" last year. To address a variety of issues, we are also developing a tracking report so that State Directors and staff will be able to monitor the performance of each of their loan approval officials to affirm, modify, or suspend their loan approval authority.

The Approval Official (AO) field on the New Application Additional Setup screen in UniFi is not presently required to advance to other screens, but entering the AO is necessary to monitor the AO's compliance to underwriting standards.

For direct applications approved through Fiscal Year 2004 to date, almost 40 percent had a blank or invalid AO field in UniFi. While this field will not be an automated requirement until the system is modified, the National Office considers this field to be essential and requires that it be correctly entered.

State Directors should ensure that every loan approval official has an assigned user name (FH ID) for UniFi and that the appropriate FH ID is entered into the "Aprvl Official" field for every application (see attachment).

EXPIRATION DATE:
December 31, 2005

FILING INSTRUCTIONS:
Housing Programs

The Single Family Direct Loan Division is in the process of creating a Brio report that will tie new loan delinquencies to the AO who authorized the loan. The report will be used to satisfy the corrective action in the Fiscal Year 1999 MCR. This report along with additional guidance will be issued early in 2005.

If you have any questions regarding this memorandum, please contact Brooke Baumann of the Single Family Housing Direct Loan Division at (202) 690-4250.

Attachment

Web-Enabled UniFi: New Application for: ** NEW ACCOUNT **

File Edit Menu Options Tools Help

New Application Addtl Setup

Date Application Received	12/16/2004	Requested Amortization Term	396
Application Date	12/16/2004	Req Ln Term	396
Application Taken Flag	Mail	LTV Ratio	00.00
Expect to Close Date	10/12/2005	Reg Z Calculation Basis	not maintained
First Due Date	11/12/2005	Interest Method	not maintained
Technician	fhq17 BAUMANN, BROOKE	Payment Frequency	Monthly
Aprvl Official	fhq17 BAUMANN, BROOKE	Payment Calculation Typ	Monthly
Community Size	not maintained	P & I Round Flag	Up if >.000
Security		Loan Type	00
Type Sale		Loan Sub-type	00
Loan Gro		Prepd interest	<input checked="" type="radio"/> Closing <input type="radio"/> Rescission
# Days Pr		Alternate Mortgage Code	Fixed Rate
Section 8 vouchers		Closing Prefill Dflt Opt	GFE To Close
		Good Faith Group Number	00
		Closing Group Nbr	00
Eligible for Loan/Grant <input checked="" type="radio"/> Status unknown <input type="radio"/> Eligible <input type="radio"/> Not Eligible			
Characteristics of Present Housing <input type="checkbox"/> Dwelling lacks plumbing <input type="checkbox"/> Dwelling lacks heating			
<input type="checkbox"/> Dwelling deteriorated <input type="checkbox"/> Dwelling overcrowded			

Enter FH ID of approval official or use binoculars to select.

Loan Term Requested (months)

December 27, 2004

SUBJECT: Guidance for Foreign Travel

TO: Rural Development Employees

All Rural Development employees are reminded that guidance is provided on foreign travel in section 301-12.1 of the Federal Travel Regulation, section 301-18.1.2 of the Agricultural Travel Regulation, and section 2036.80 of RD Instruction 2036-A.

When the Rural Development Travel Unit (TU) receives the approved foreign travel justification, the process begins. Advice and guidance on the following topics are provided to each foreign traveler by the TU staff based on the individual trip, the foreign country to be visited, and the length of time in that country:

- Necessary steps and documentation required to process Form AD-121, "Passport Request," and the necessary photo requirements.
- The application process for a visa to be submitted to the respective embassy.
- Information required to process a country clearance cable.
- The traveler is advised to visit their local USDA Health Unit to receive any required inoculations and/or medications required for a specific country.
- If the local USDA Health Unit cannot provide a specific injection and/or medication, the traveler should contact the TU for advice on obtaining those services from the State Department's Health Unit or other medical facility if the State Department's Health Unit is not easily accessible. If another medical facility is used, fees associated with injections and/or medications will be reimbursed to the traveler as a miscellaneous expense on the travel voucher. The traveler should submit receipts to the approving official for payment of such services regardless of amount.

If you have further questions, please contact D. Irene Wofford, Travel Management Specialist, on 202-692-0030.

(Signed by Sherie Hinton Henry)

SHERIE HINTON HENRY
Deputy Administrator
for Operations and Management

EXPIRATION DATE:
December 31, 2005

FILING INSTRUCTIONS:
Administrative/Other Programs

December 27, 2004

SUBJECT: Implementation of Bridge Solution Travel Procedures

TO: All Rural Development Employees

This memorandum provides the procedures that Rural Development employees who travel on official business will utilize to implement Electronic Data Systems' (EDS) bridge solution for expiring Travel Management Center (TMC) contracts. This solution will replace the current TMC contracts as they expire beginning December 31, 2004, through August 31, 2005. EDS will begin processing new reservations and issuing tickets effective January 1, 2005, for expired TMC contracts only.

For the TMC contracts that expire December 31, 2004, the Office of the Chief Financial Officer (OCFO) is waiving the rule prohibiting early issuance of airline tickets. The OCFO is permitting only those expiring TMC's to issue tickets for domestic and foreign travel that commences by January 31, 2005. Any changes to airline tickets issued by these expiring TMC's will require the traveler to contact EDS to issue new tickets. Any refund of these tickets must be processed by the issuing TMC. For all other contracts expiring after December 31, 2004, travelers will continue using those TMC's until their effective expiration date.

Rural Development travelers have the option of using the full-service process via the toll number (866) 876-8020 (effective January 1, 2005). This access will allow the traveler to request travel arrangements via a travel agent. The second option is to log on to EDS' Online Booking Engine (OBE) at **www.FedTraveler.com** and book their reservations using the self-service process. The transaction fee for using the full-service process is \$27.09; the self-service process is \$11.00.

To enter FedTraveler.com for the first time, USDA travelers will use their existing eAuthentication User ID and password (credentials). USDA travelers without existing credentials will be notified of their User ID and password via e-mail.

EXPIRATION DATE:
December 31, 2005

FILING INSTRUCTIONS:
Administrative/Other Programs

EDS has training available for USDA employees which can be found on,
<http://www.FedTraveler.com>.

If you have further questions, please contact D. Irene Wofford, Travel Management Specialist,
on 202-692-0030.

(Signed by Sherie Hinton Henry)

SHERIE HINTON HENRY
Deputy Administrator
for Operations and Management

December 29, 2004

TO: State Directors
Rural Development

ATTENTION: Program Directors, MFH Program Directors and Coordinators

FROM: Russell T. Davis (Signed by David J. Villano) for
Administrator
Rural Housing Service

SUBJECT: Multi-Family Housing Portfolio Imaging Project

The National Office Multi-Family Housing staff in conjunction with the Department of Justice (DOJ), Information Technology staff and the Centralized Servicing Center (CSC) has established a process for making digital images of all Multi-Family Housing (MFH) servicing and prepayment files. Over the course of next year, the case files for all MFH will be scanned into the Department's Document Management System. As a result, authorized personnel will be able to view the documents contained in the servicing and prepayment files, through a secure Internet connection from any location with web access. This memorandum provides the overview of this process and the impetus for taking this action.

Background:

Over the last several months, attention surrounding prepayment lawsuits have increased. A critical component of the legal action involves a review of Agency actions and case files. To date, the process for preparing files for DOJ consists of field offices preparing prepayment or litigation files and providing them to the National Office for review. The National Office MFH staff then reviews the files and verifies that they were assembled completely and in accordance with DOJ directions. The process involves considerable time and effort by both Local and National Office personnel.

When the files are completed, they are sent to DOJ who again reviews the files and scans them into an imaging system. Scanning documents allows for quick reference for the attorneys, provides an index of major words in the text, and provides a search mechanism. Again, considerable time and effort are extended to prepare the cases for court.

DOJ and the National Office MFH staff believe that success in future cases relates directly to the ability to analyze the entire case file quickly in an automated fashion without the extensive preparatory work presently required.

EXPIRATION DATE: December 31, 2005

FILING INSTRUCTION:
Administrative or Other

In addition, when the Centralized Servicing Center (CSC) began operations, a state-of-the-art imaging system was utilized. This system allows quick scanning of files, quality assurance steps, and indexing for efficient retrieval of documents from a user's desktop. The system's capacity allows for additional areas to utilize the scan, indexing and retrieval applications from remote locations throughout the U.S. Department of Agriculture (USDA) network. The Single Family Housing closing and servicing documents, Rural Utilities Service files, the Guaranteed Single Family Housing files, and the Office of the Executive Secretariat presently utilize the imaging capabilities to increase efficiency of document utilization and storage.

The National Office MFH staff has requested the services of CSC to scan and index all MFH servicing and prepayment files. Ultimately, an ongoing imaging process will be developed to allow for all documents to be imaged as new documents that are generated in the field offices.

The Process:

Beginning with the cases currently in litigation, the MFH National Office staff in conjunction with DOJ will develop an order for the imaging of the MFH servicing and prepayment files. **Please note that we will not image the construction files.** The first ten files have been identified and have been sent to CSC in St. Louis. The National Office and one field office employee will assist with the review and indexing of these initial files to provide CSC with guidance on the content of the files. After this pilot of ten files is completed, a realistic schedule for the remaining portfolio with estimated dates will be forthcoming. Please understand that due to unexpected contingencies, the schedule will most certainly change. Notification of adjustments should be timely.

The schedule will indicate the name of the project and the date on which the project is to be mailed by the field offices. The entire servicing and prepayment file must be mailed via FEDEX or some other carrier that provides on-line tracking services. In anticipation of sending the files, the field offices should prepare a prepayment file in accordance with the recent November 10, 2004, Administrative Notice 4018 (RD Instruction 2033-A) on the preparation of prepayment files as appropriate. Next, the field offices should determine what information is necessary to keep while the file is in transit and at CSC. A temporary file of required documents eliminates the need to call CSC for information or delay service to our clients and tenants while the file is away.

The day the file is sent, that office will also send an e-mail to Vedia.Brackens@stl.rural.usda.gov that includes the project name, the carrier used, and the tracking information. Upon receipt, a CSC representative will send a return e-mail indicating that the file was received. CSC will log the file and store it in a safe place. To prep the file for imaging, a single position in the servicing file will be extracted. Onion skin paper, small documents, and other irregular and hard to scan pieces will be copied and removed from the permanent file. CSC will put these originals into an envelope but will not return the originals to the eight-position folder. In their place, copies of these documents will be inserted into the permanent file.

CSC personnel will scan the documents. A quality assurance (QA) procedure occurs during the scan process to assure that all documents are readable. If not, the batch is rescanned and the QA process begins anew. The documents will then be indexed as follows:

- Three letter alpha character unique to the project (a translation key will be provided)
- Digits referring to the position the documents were removed from. Positions 1 – 8 of the servicing file will be noted as such. Positions in the prepayment file will begin with 9.
- The next set of digits is the incremental number of the document in that position.
- Case number
- Document Type
- Borrower ID

In the future when retrieving documents field office personnel can utilize these indexing values.

CSC personnel will return the documents to the file as they were removed. As a result, if items were filed incorrectly in the original document, they will be in the wrong position in the imaged file as well. Each position will be imaged separately to assure that items are not lost or misplaced within the file or series of file folders.

When the imaging, QA and index processes are complete, the file with the envelope containing the onion skin and odd sized pieces will be boxed and shipped back to the local office. An e-mail to the local office contact will be sent with the routing information. Upon receipt of the file, the local office should close the process by e-mailing a response indicating that the file was received.

The Litigation Process:

After your files are imaged, field office personnel may access the imaged documents on-line by using an ID provided by the security staff. A process to obtain an ID through security will be established in the near future. Shortly, the need for a complete physical file may be alleviated. As a result, some of the files and documents within the file may be purged with the imaged document being the document of record.

When DOJ needs a file or series of files for future cases, the entire servicing and prepayment files for that project will be burned to a CD and sent to DOJ. Specific file structure and document types have been agreed upon for the imaged files and will render them useless to anyone but DOJ. DOJ then puts the files in their concordance service software and can conduct a thorough review of the entire field office file.

The ultimate result is that the National Office can review case files on-line for any number of purposes. Furthermore, as soon as a new case is filed, DOJ obtains an electronic version of the file virtually extending the time allotted for answering discovery, reviewing the case file, and preparing for litigation. The demands on field offices to produce documents and files for cases will be minimized. All in all, we believe that this will be a benefit to all involved.

Future Concerns:

The imaged file is good through the day of imaging. As living files, these dockets are continuously evolving and changing. As we proceed with this project, a subsequent process to capture all necessary data, documents, correspondence, and notes received since the last update will be developed. Most likely this process will involve faxing and indexing by field office employees.

Please direct any questions about this issue to the Office of Rental Housing Preservation. You may contact Cynthia Reese-Foxworth at (202) 720-1940, or e-mail at Cynthia.Reesefoxworth@usda.gov.